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UNCLAS SECTION 01 OF 03 DJIBOUTI 000326

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SUBJECT: STAFFDEL CHAKA GETS STATISTICS ON DJIBOUTI'S  
CURRENT PORT; HEARS ABOUT MARITIME TROUBLES WITH ETHIOPIA

REF: DJIBOUTI 304

11. (U) SUMMARY: On March 31, HIRC Staff members Malik Chaka and Dr. Pearl Alice Marsh met with Commandant Mohamed Moussa Abar, the Harbor Master and Director of Maritime Security at the Port of Djibouti (see para 9 for bio). Abar explained to the Staffdel how the current port operates, the problems it is having with its primary customer, Ethiopia, and its potential for cargo expansion. That night, the Staffdel attended a lively dinner hosted by the Ambassador where conversation ranged from Djibouti's economic future to female genital mutilation. Bios of dinner attendees are attached in Para 9 for INR. END SUMMARY.

12. (U) Chaka and Marsh's meeting with Abar reflected the Staffdel's interest in maritime security, the Global War on Terror and economic and development issues in Djibouti. Abar described the container terminal and conventional port which currently fields 100 percent of Djibouti's maritime traffic.

13. (U) Chaka asked how much of the port's incoming cargo was comprised of goods for Ethiopia, as Djibouti is the country's only outlet to the sea. Abar said that 80 percent of the goods received in the port are bound for Addis Ababa. That is a 60 percent increase over May of 1998 when Djibouti began making changes to attract commercial traffic to the port, including decreasing tariffs and speeding up transit. Abar said that about 35 percent of that cargo originates in Europe and the remainder comes from the Middle East/Far East.

14. (U) Abar added that the port continues to have problems with an Ethiopian bureaucracy and banking system that is extremely slow and inefficient. He said it routinely takes up to six months for Ethiopia to inspect and clear cargo, despite the fact that more than 20 Ethiopian customs officials charged solely with doing so work at the Djibouti Port. Abar pointed out that with the Port's technology, this process should take no more than a few days at maximum. Problems moving Ethiopian goods prompted Djibouti to begin charging for cargo storage after 30 days, rather than the previous 60 days. Ethiopians complain it is an unrealistic time frame, Abar said. NOTE: Abar added that after cargo leaves Djibouti by truck it is often held up in customs in Addis for several additional months. END NOTE

15. (U) Chaka inquired whether Djibouti Port is more efficient than Assab. Abar called it "100 percent more efficient" because the depth of the channel allows for direct off-loading. In addition, Abar said, pilfering is much lower at the Djibouti Port than at any other port in the region. Most pilfering is plywood and small quantities of milk or vegetable oil rather than valuables, he said, and in 30 years the port has never had a container disappear. This is due in part to the physical security measures taken by the Port Authority, but primarily to the small size of Djibouti and the close knit social fabric which makes property crime rare and easy to detect. In addition, Abar said, Djibouti Port is cheaper than Aden, Assawa, Jeddah and Port Sudan, primarily because its tariffs are the lowest in the region.

16. (U) Marsh asked about the port's capacity. Abar replied that it was currently at 6 million tons per year and has the potential for 12 million tons per year. The future of the port lies in trans-shipment, he said, a process where a large shipment of containers are sent to Djibouti to be split up and sent in smaller quantities to other countries via air, land or sea. Even more room will be available once the port's three oil companies move to the new Dorale Port sometime this year or next. In addition, Abar expects increased efficiency now that the Port is under a 25 year operating contract with Dubai Ports International (DPI). DPI also has operating contracts for the new Port of Dorale, the Ambouli International Airport and the Djiboutian customs office.

17. (U) On security features at the current port, Abar said the port recently invested US\$350,000 in new access control equipment and budgeting systems. In addition, the port has reinforced access fencing, cut down to one monitored entry and one monitored exit point, eliminated commercial business such as restaurants inside the port, assumed direct control over its security personnel rather than using national

police, established barriers for ships and requires a declaration of security from every vessel entering the port. The port is certified IMO compliant, he said and employs 1300, 155 of which are security personnel and 20 of which are expatriates from DPI. The port has its own training center on site. Abar said that although the port is very secure, it would be even safer with training by the U.S. Coast Guard in new security methods.

18. (U) Staffel Chaka also attended a dinner at the Ambassador's residence the night of March 31. Conversation focused on the need for vocational training to improve Djibouti's labor pool in preparation for the new port. It was also noted that the high cost of telecommunications is a hurdle to attracting international business investment. The dinner ended with the lively discussion of female genital mutilation, which some guests (of both genders) insisted was primarily a "female issue," driven by women's desires to follow tradition. Others argued that if men took a stand by prohibiting infibulation of their daughters and allowing their sons to marry non-infibulated women, women's insistence on the practice would also change.

19. (SBU) Biographic information on several invitees:

- Zeinab Kamil Ali currently occupies the position of the Director of the Djibouti Free Zone, which was inaugurated in 2004. Prior to taking on this post, she worked at the Office National des Eaux de Djibouti (ONED, the National Water Authority) as Chief of Administrative Service, Legal Counsel to the Director of ONED, and then Assistant Director of ONED. Ms. Ali has a degree in law and is very active in human rights and women's issues. In September 2004, she was sponsored by the U.S. Embassy in Djibouti to participate in a special International Visitor's Program on Citizenship funded with money from the East Africa Counter Terrorism Initiative. Ali speaks French, English and Somali and has an Afar parent. Ali is open and opinionated and some rumors place her as the next Minister of Women.

- Ali Mohamed Kamil is the Director of Employment within the Ministry of Labor, where he has worked for 14 years. Prior to his employment with the Ministry, he spent 6 years as Director of the National Institute for Public Administration. Mr. Kamil holds a Master's Degree in Economics and Business Administration and attended school with Ms. Ali. He was by sponsored by the U.S. Embassy in Djibouti to participate in an International Visitor's Program on Organized Labor in August 2004. He speaks French, Afar, Somali and English. Kamil is somewhat quiet, but reflective and frank when he does share his thoughts. He has an excellent grasp on the current labor situation in Djibouti and how it will need to change to aid future economic prosperity.

- Youssouf Moussa Dawaleh is in his second term as a member of the Djiboutian National Assembly and an active member of the business community as head of the Grand Pecherie (Big Fish Market) as well as co-owner of the Djiboutian Maritime Management and Investment Company (DMMI), which manages Djibouti's fishing port. Dawaleh is the Permanent Representative for African-Caribbean-Pacific-European Countries (ACP-EU) within the National Assembly. He is also Vice President of the Finance Commission for ACP country issues, a member of the National Assembly's full Finance Commission, Vice President of the Eritrean-Djiboutian Parliamentarians Committee, and a member of the Djiboutian-American Parliamentarians Committee. In his first term in the National Assembly, he served as Vice President of the Commission for Production and Exchange and a member of the Commission for Social Development and Environmental Protection. Dawaleh and his partners at DMMI are currently upgrading the fishing port and building production and export capacity of the fishing industry in Djibouti. His eventual hope is to export Djiboutian fish to Europe, the U.S. and Gulf countries. He speaks French, Somali and English. Youssouf is politically sensitive and, although young and educated, somewhat traditional in his views.

- Simon Mebrathu is currently Director of External Financing in charge of public investments and external debt management in the Ministry of Finance. Prior to serving in this position, Mr. Mebrathu was advisor to the Minister of Finance and the Project Manager for the Technical Assistance for Economic Reforms. He was also an advisor to the Minister of Commerce and manager of the Private Sector Promotion Project financed by the United Nations Development Program (UNDP). Mr. Mebrathu also taught Accounting and Commercial Law at the La Glavere Training Center in Tours, France and Company Accounting and Systems to local bank employees. He holds Associate's, Bachelor's and Master's degrees in Social and Economic Administration with concentrations in Commercial Law and Management, all from the University in Tours, France. Mebrathu also earned a post graduate degree in African Studies, with a focus on political science, from the Institute of Political Studies in Bordeaux. He speaks French, English and Arabic.

Other Meetings for Staffdel Chaka:

--Mohamed Ali Hassan is the Director of Bilateral Relations at the Ministry of Foreign Affairs. He earned Bachelor's and Master's degrees in Anglo-American studies from the University of Paul Valery in Montpellier, France. His diplomatic studies were done at the International Relations Institute in Yaounde, Cameroon. Hassan has attended professional training courses all over the world, including China and the United States, where in February 2004 he attended the Department of State/Department of Defense Senior Leader Seminar at the African Center for Strategic Studies. In June 2002, he was by sponsored by the U.S. Embassy in Djibouti to participate in an International Visitor's Program on U.S. Foreign Policy Toward Africa. Prior to taking his current job, he worked in the International Organizations Division of the Ministry of Foreign Affairs and the Africa/Asia and Pacific division in the Department of Bilateral Affairs. Hassan currently is co-chairman of the Djibouti-France, Djibouti-Japan, Djibouti-Ethiopia and Djibouti-Eritrea Bilateral Relations Committees. He is also a member of the China/Africa Economic Forum Committee and the U.S. Military Assistance Committee. He is chairman of the National Bilateral Relations Follow-up Committee. He speaks French, English, Somali, Arabic and Afar and has an Afar and a Arab parent. He is politically savvy and seems well-trusted within the current administration.

-- Commandant Mohamed Moussa Abar has been the Harbor Master and Director of Maritime Security at the Port of Djibouti since 1995. He previously worked as assistant to the Harbor Master, a full tonnage pilot, a sea trials pilot, a Maritime Institute deck officer and the tower controller for the Port of Djibouti. He has attended several international port management port courses and conferences in places such as New Orleans, Haifa, Marseilles and Tokyo. He speaks French, Somali, Amharic and English and seems very cosmopolitan and pro-American.

RAGSDALE